

'Worldwide, customers happily pay service charge'

President of the Hotel and Restaurant Association of Western India says service charge levied by restaurant managements is not illegal; CCPA order stayed by Delhi High Court

STAFF REPORTER / MUMBAI

Responding to a report in the Free Press Journal on Friday, president of the Hotel and Restaurant Association of Western India, Pradeep Shetty said the service charge levied by restaurant managements is not illegal. He told this newspaper that in any case "only 20%" of the restaurants levy this charge.

When asked how do managements of certain restaurants waive the service charge when customers object, Mr Shetty said "it was being done to maintain relationship with customers".

He said "grave injustice" is being done to restaurants' junior staff like waiters, kitchen helpers and cleaners by the Central Consumer Protection Authority, which has asked restaurant managements not to levy the charge.

"Service charges levied in restaurants from 10-15% are legal and accepted globally. This charge is collected by the management on behalf of

SERVICE CHARGE AT RESTAURANTS



The hospitality industry is the largest employer of skilled and unskilled workers after farming. It also contributes 9.7% to the GDP of India.

Pradeep Shetty,
President, Hotel & Restaurant Association, Western India

junior staff and distributed monthly. The Goods and Service Tax (GST) is also paid on service charge by restaurant owners and the accounts are

audited and submitted to the Income Tax department," he added.

Mr Shetty said, "Worldwide, customers happily pay service charge, which is mentioned on the menu card and customers are well aware of it before placing their orders."

If consumers/ customers don't agree with it, they are always free to go to other restaurants. He noted that the CCPA's order has been stayed by the Delhi High Court. "Shockingly government agencies always singled out restaurants and given step motherly treatment to the most demanding capital, labour and energy intensive, multi-licensed restaurant and food businesses. It is pertinent to note that the hospitality industry is the largest employer of skilled and unskilled workers after farming. It also contributes 9.7% to the GDP of India," Mr Shetty said. He noted that the banking, airlines and other sectors also levy a service charge.

Ward officer calls cops over threats

MUMBAI: Assistant Municipal Commissioner of F-South, Mahesh Patil has filed a complaint at the Bhoiwada police station against an RTI activist over alleged death threat. The alleged incident took place at a public grievances meeting held at the ward office in Parel on Friday afternoon. Mr Patil said that the activist, Pravin Pawar, abused him, threatened him with an Anti-Corruption Bureau case and issued a death threat. He said a written reply to his question was

TROUBLES IN TINSELTOWN

